

AMENDED IN SENATE MAY 2, 2013  
AMENDED IN SENATE MARCH 19, 2013

**SENATE BILL**

**No. 258**

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**Introduced by Senator Lieu**

February 13, 2013

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An act to amend ~~Section~~ *Sections* 112 and 4903.8 of the Labor Code, relating to workers' compensation.

LEGISLATIVE COUNSEL'S DIGEST

SB 258, as amended, Lieu. Workers' ~~compensation: advertisements.~~  
*compensation.*

Existing law establishes the 7-member Workers' Compensation Appeals Board, and provides that the members of the appeals board are appointed by the Governor with the advice and consent of the Senate. Existing law requires that 5 of the 7 members of the board be experienced attorneys admitted to practice in the State of California, and provides that the other 2 members need not be attorneys.

This bill would require that all 7 members of the board be experienced attorneys admitted to practice in the State of California.

*Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee for injuries sustained in the course of his or her employment. Existing law requires an order or award for payment of a lien for medical or hospital treatment, as specified, to be made for payment only to the person who was entitled to payment for the expenses for medical or hospital treatment at the time the expenses were incurred, and not to an assignee unless the person has ceased doing business in the capacity held at the time the*

*expenses were incurred and has assigned all right, title, and interest in the remaining accounts receivable to the assignee.*

*This bill would authorize an assignment of that payment if the assignment was completed prior to January 1, 2013, or if it was required by a contract that became enforceable and irrevocable prior to January 1, 2013. The bill would state that this provision is declarative of existing law.*

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 112 of the Labor Code is amended to  
2 read:

3 112. (a) The members of the appeals board shall be appointed  
4 by the Governor with the advice and consent of the Senate. The  
5 term of office of the members appointed prior to January 1, 1990,  
6 shall be four years, and the term of office of members appointed  
7 on or after January 1, 1990, shall be six years and they shall hold  
8 office until the appointment and qualification of their successors.

9 (b) All of the members of the appeals board shall be experienced  
10 attorneys at law admitted to practice in the State of California. All  
11 members shall be selected with due consideration of their judicial  
12 temperament and abilities. Each member shall receive the salary  
13 provided for by Chapter 6 (commencing with Section 11550) of  
14 Part 1 of Division 3 of Title 2 of the Government Code.

15 SEC. 2. Section 4903.8 of the Labor Code is amended to read:

16 4903.8. (a) (1) Any order or award for payment of a lien filed  
17 pursuant to subdivision (b) of Section 4903 shall be made for  
18 payment only to the person who was entitled to payment for the  
19 expenses as provided in subdivision (b) of Section 4903 at the time  
20 the expenses were incurred, and not to an assignee unless the  
21 person has ceased doing business in the capacity held at the time  
22 the expenses were incurred and has assigned all right, title, and  
23 ~~interests~~ *interest* in the remaining accounts receivable to the  
24 assignee.

25 (2) *Paragraph (1) does not apply to an assignment that was*  
26 *completed prior to January 1, 2013, or that was required by a*  
27 *contract that became enforceable and irrevocable prior to January*  
28 *1, 2013. This paragraph is declarative of existing law.*

1 (b) If there has been an assignment of a lien, either as an  
2 assignment of all right, title, and interest in the accounts receivable  
3 or as an assignment for collection, a true and correct copy of the  
4 assignment shall be filed and served.

5 (1) If the lien is filed on or after January 1, 2013, and the  
6 assignment occurs before the filing of the lien, the copy of the  
7 assignment shall be served at the time the lien is filed.

8 (2) If the lien is filed on or after January 1, 2013, and the  
9 assignment occurs after the filing of the lien, the copy of the  
10 assignment shall be served within 20 days of the date of the  
11 assignment.

12 (3) If the lien is filed before January 1, 2013, the copy of the  
13 assignment shall be served by January 1, 2014, or with the filing  
14 of a declaration of readiness or at the time of a lien hearing,  
15 whichever is earliest.

16 (c) If there has been more than one assignment of the same  
17 receivable or bill, the appeals board may set the matter for hearing  
18 on whether the multiple assignments constitute bad-faith actions  
19 or tactics that are frivolous, harassing, or intended to cause  
20 unnecessary delay or expense. If so found by the appeals board,  
21 appropriate sanctions, including costs and attorney's fees, may be  
22 awarded against the assignor, assignee, and their respective  
23 attorneys.

24 (d) At the time of filing of a lien on or after January 1, 2013, or  
25 in the case of a lien filed before January 1, 2013, at the earliest of  
26 the filing of a declaration of readiness, a lien hearing, or January  
27 1, 2014, supporting documentation shall be filed including one or  
28 more declarations under penalty of perjury by a natural person or  
29 persons competent to testify to the facts stated, declaring both of  
30 the following:

31 (1) The services or products described in the bill for services  
32 or products were actually provided to the injured employee.

33 (2) The billing statement attached to the lien truly and accurately  
34 describes the services or products that were provided to the injured  
35 employee.

36 (e) A lien submitted for filing on or after January 1, 2013, for  
37 expenses provided in subdivision (b) of Section 4903, that does  
38 not comply with the requirements of this section shall be deemed  
39 to be invalid, whether or not accepted for filing by the appeals

- 1 board, and shall not operate to preserve or extend any time limit
- 2 for filing of the lien.
- 3 (f) This section shall take effect without regulatory action. The
- 4 appeals board and the administrative director may promulgate
- 5 regulations and forms for the implementation of this section.